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STATE FOR D (FRITZ), EAP/FO, AND EAP/ANP  
NSC FOR VICTOR CHA  
SECDEF FOR OSD/ISD LIZ PHU  
PACOM FOR J01E/J2/J233/J5/SJFHQ

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SUBJECT: DEPARTING NZ MINISTER ASSUMES NEW TRADE ROLE

#### Summary

1. (SBU) Labour Cabinet Minister Jim Sutton has announced his retirement from politics to become a Trade Ambassador for New Zealand and Chair of Landcorp. His departure from Parliament will not alter the balance of power as he will be replaced by the next person on the Labour Party List, lawyer Charles Chauvel. Sutton's departure is the first step taken by Labour in a process to replace some of its longer serving MPs with fresh talent ahead of the next election. End Summary.

#### New roles

2. (SBU) As Ambassador for Trade, Sutton will have a roving commission to support the Government in bilateral and regional trade negotiations. Although this is officially a new position, Trade Minister Goff has told the Ambassador that Sutton will largely continue the same function as he has as Minister of State and Associate Trade Minister, a position he's held since December 31, 2005. Sutton will continue to explore new possibilities for trade agreements, attend conferences, and in general backstop for the tremendously busy Goff, who is also New Zealand's Minister of Defence. Sutton's appointment is initially set for two years. According to press reports, he was offered diplomatic posts in Ottawa, Canberra and Washington but turned them all down citing a desire to be based in New Zealand with his wife, a Wellington-based policy analyst.

3. (SBU) As chairman of the board of the State-owned Landcorp, he will oversee New Zealand's largest agricultural enterprise. Both appointments take effect from August 1.

#### Electorate defeat reins in ministerial career

4. (SBU) An MP of 18 years, Sutton has previously held the agriculture, forestry, rural affairs, biosecurity and trade negotiations portfolios. A farmer before entering Parliament, Sutton lost his electorate seat in the last general election and had to return to Parliament as a list MP only. The loss of his seat led many analysts to predict his eventual departure from politics. It also opened Labour to criticism over its practice of using list slots to retain in Parliament those MPs who had lost their electorate seats.

## Political status quo preserved despite Sutton's exit

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15. (SBU) As a list MP, Sutton's departure from Parliament will not alter the current balance of power. He will be replaced as a Labour MP by the next person on the Labour Party List, Wellington lawyer Charles Chauvel. Chauvel, 37, has been a partner in the law firm, Minter Ellison. He has also chaired the New Zealand Aids Foundation, served as a board member of the Public Health Commission, and been Deputy Chair of both the New Zealand Lottery Commission and Meridian Energy, New Zealand's largest State-owned electricity generator. It is expected that Chauvel will serve out the remainder of the parliamentary term as a junior backbench MP.

## Exit the first step of renewal process for Labour

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16. (SBU) Sutton's departure signals the first stage of a process to rejuvenate Labour's parliamentary ranks. Prime Minister Helen Clark is known to be looking for dignified exits from several of Labour's long-serving MPs before the next election in an effort to bring in fresh political talent. Although it is well known that Sutton has mixed feelings about departing the political scene, this first phase of the process was a fairly painless one for Clark. However, it remains to be seen whether the acquiescence of the departing Sutton will be replicated by other long-serving MPs targeted in the rejuvenation process.

McCormick